

EXHIBIT

18

36 West 38th Street Recapitalization Proposal

Date: January 30, 2015

Owner: 36 West 38th Street, LLC

Lender: 36 West 38th Street Hotel Capital, LLC

Proposal: The Hotel Development located at 34/36 West 38th Street, New York, New York (The “Project”) will be recapitalized by Owner with modified debt and preferred equity. The Project will be recapitalized pre-development with demolition substantially complete. Upon re-capitalization, Developer would assume management of the Project.

This proposal outlines the terms of the proposed revised capital structure of the deal including the responsibilities of each party based on the following provisions.

- Demolition is currently scheduled to be complete on or before February 15, 2015. Construction is currently scheduled to commence in February, 2015 and completion is scheduled for November, 2016.
- The Owner has entered into a participating loan agreement with 36 West 38th Street Hotel Capital, LLC (Lender) as of October 17, 2013. The maximum loan amount is \$50,520,000 and the current outstanding balance is \$17,995,114, as of February 1, 2015. Lender would convert the existing participating loan into a construction loan at a fixed interest rate to be negotiated by Lender and Owner. The maximum loan amount will remain the same.
- Gemini Real Estate Advisors existing completion guarantee and liquidity requirements would be modified.
- The Owner currently has an equity investment of \$5,665,000 in the Project.
- An affiliate of The Congress Group, Inc (Preferred Equity Investor) will infuse up to \$5,000,000 of additional capital structured as a preferred equity position, senior to both Gemini Fund 5 and the Common Member Interest.
- Exhibit A details the proposed revised capital structure.
- An affiliate of The Congress Group, Inc (Developer) will assume role as developer in order to carry the project to completion.
- The Development Budget is attached as Exhibit C. The total development cost is \$59,825,354. The total cost includes a hard cost overrun of \$4,038,147 and an anticipated construction cost reduction of \$1,800,000 based on certain design modifications to the building that will be finalized with the Project Architect. Owner and Developer would work together to value engineer the project in an effort to further reduce construction costs.

- Developer shall control management of the development to include oversight of the project, budget modifications, permits, sub-contractor bidding & negotiations, scheduling, loan administration, construction oversight, change orders, coordination of utility services, punch-list, certificate of occupancy and project close-out. Owner and Developer will work together on design modifications, budget revisions and decisions related to branding and hotel operations.
- In conjunction with entering into an agreement, Owner and Developer shall agree on a revised project budget, re-design of certain features of the project, and revised construction schedule. It is in the best interest of the parties to facilitate a recapitalization of the Project due to project delays and budget overruns.
- Pending acceptance by Lender of the terms outlined in this proposal, Owner will immediately advise Robert Douglas to cease all marketing efforts relating to a potential pre-development sale of the Project.
- Value estimate of \$700,000 per key or aggregate value of \$79,800,000 will remain in effect. Based on this current value estimate upon completion of construction, Lender LTV is estimated to be 63.31% excluding any accrued interest.

This proposal is intended to lay out the terms and structure under which the parties would enter into a modified capital structure to facilitate the development and completion of the project as a 114 room boutique hotel.

Exhibit A

Proposed Revised Capital Structure

| | |
|------------------------------------|-----------------------|
| Lender | \$ 50,520,000 |
| Preferred Equity - Congress | \$ 5,000,000 |
| Existing Equity - Gemini | \$ 5,665,000 |
| Equity Adjustment TBD | \$ (1,360,000) |
| Total | \$ 59,825,000 |

Exhibit B

Development Budget

Bryant Park Hotel Development - 36 West 38th Street
Development Budget

GENERAL INFORMATION

| | |
|-----------------------|--------|
| Total Number of Rooms | 114 |
| Gross Buildable SF | 53,824 |

| | | Budget | % of Total | Cost per GSF | Cost per Room |
|---|-----------------------------------|---------------------|-------------|----------------|------------------|
| Acquisition Costs | | | | | |
| Site Acquisition Costs | \$13,500,000 actual | \$13,500,000 | 23% | \$254.50 | \$118,421 |
| Acquisition Fees | 1.0% actual | 135,000 | 0% | 3 | 1,184 |
| Closing Legal | \$166,348 actual | 166,348 | 0% | 3 | 1,458 |
| Title Insurance & Closing costs | \$60,376 actual | 60,376 | 0% | 1 | 530 |
| Tenant Buyout | \$1,825,000 actual | 7,825,000 | 3% | 34 | 18,009 |
| Property Mgmt Costs & Revenues | \$67,779 actual | 67,779 | 0% | 1 | 595 |
| Other Closing Costs | \$26,434 actual | 26,434 | 0% | 0 | 232 |
| Total Acquisition Cost | | \$15,780,937 | 26% | \$298 | \$138,428 |
| Soft Costs | | | | | |
| Architecture & Engineering | 3.4% of Site and Construction | \$913,495 | 2% | \$17 | \$8,812 |
| Additional Consultants | 1,633,825 estimate | 1,633,825 | 2% | 19 | 9,269 |
| Legal | 344,250 estimate | 344,250 | 1% | 6 | 3,220 |
| Accounting | 50,000 estimate | 50,000 | 0% | 1 | 439 |
| Marketing & Website / Branding | 185,908 estimate | 185,908 | 0% | 3 | 1,623 |
| Fees, Permits, Expediting | 99,610 estimate | 99,610 | 0% | 2 | 869 |
| Insurance | 395,000 estimate | 395,000 | 1% | 7 | 3,465 |
| Utilities | 175,000 estimate | 175,000 | 0% | 3 | 1,535 |
| Real Estate Taxes & Expenses | 175,471 x 2.0 years | 350,942 | 1% | 7 | 3,078 |
| Development Management Fee | 5.0% of Site and Construction | 1,300,000 | 2% | 25 | 11,404 |
| Soft Cost Overrun | 236,541 estimate | 236,541 | 0% | 4 | 2,075 |
| Soft Cost Contingency | 234,915 estimate | 213,541 | 0% | 4 | 1,873 |
| Total Soft Cost | | \$5,296,567 | 9% | 100 | 48,461 |
| Site and Construction Costs | | | | | |
| Direct Trade Costs | 19,406,430 estimate | 19,406,430 | 32% | \$366 | \$170,232 |
| CM Fee / Profit | 600,000 estimate | 600,000 | 1% | 11 | 5,263 |
| Subguard | 359,917 estimate | 359,917 | 1% | 7 | 3,157 |
| CM Insurance | 522,461 estimate | 522,461 | 1% | 10 | 4,583 |
| CM General Conditions | 1,979,906 estimate | 1,979,906 | 3% | 37 | 17,388 |
| Construction Cost Savings | (1,800,000) estimate | (1,800,000) | -1% | -34 | -15,789 |
| Project Contingency | 1,474,232 estimate | 1,474,232 | 2% | 28 | 12,932 |
| Subtotal Contractor Hard Costs | | 22,542,946 | 38% | 425 | 197,745 |
| Owner Hard Costs | | | | | |
| Site Clean Up | | 73,500 | 0% | \$1 | \$645 |
| Owner Demo | | 22,500 | 0% | 0 | 197 |
| Comd Gas & Electric | | 500,000 | 1% | 9 | 4,385 |
| Subtotal Owner Hard Costs | | 596,000 | 1% | 11 | 5,228 |
| Hard Cost Overrun | 17.9% % of Site and Construction | 4,038,147 | 7% | 75 | 35,422 |
| Total Site and Construction Cost | | \$27,177,093 | 45% | 75 | 35,422 |
| Hotel & Restaurant Fit Out Costs | | | | | |
| Operating Supplies & Equipment (OS&E) | 1,500 per room | 1,171,000 | 0% | \$3 | \$1,600 |
| Kitchen Equipment | 200,000 estimate | 200,000 | 0% | 4 | 1,754 |
| Hotel Systems (Accounting/Prop Mgmt/Telephone) | 183,500 estimate | 183,500 | 0% | 3 | 1,605 |
| FPE(Incl. Lobby, Rooms, Hallways) | 14,500 per room | 1,653,000 | 3% | 31 | 14,500 |
| Low Voltage (Phones, Wi-Fi, Security, Sound, Cable) | 40,000 estimate | 40,000 | 0% | 1 | 351 |
| Hotel Pre-opening Labor Expense | 234,000 estimate | 234,000 | 0% | 4 | 2,053 |
| Hotel Working Capital Reserve | 298,000 estimate | 298,000 | 0% | 5 | 2,544 |
| Restaurant Operating Supplies | 87,250 estimate | 87,250 | 0% | 2 | 765 |
| Restaurant Pre-Opening Labor Expense | 181,277 estimate | 181,277 | 0% | | |
| Total Hotel & Restaurant Fit Out Costs | | \$3,839,527 | 5% | 64 | 25,072 |
| Financing Costs | | | | | |
| Bridge Loan Interest | 971,863 estimate | 971,863 | 2% | 18 | 8,518 |
| Deferred Interest Payment | 12.0% estimate | 678,506 | 1% | 13 | 5,834 |
| Common Equity Costs | 219,161 estimate | 219,161 | 0% | 4 | 1,922 |
| Financing Broker Fees | 100,000 actual | 100,000 | 0% | 2 | 877 |
| Construction Loan Costs | 360,000 lump sum | 360,000 | 1% | 7 | 3,158 |
| Title Insurance Costs | 139,281 actual | 139,281 | 0% | 3 | 1,222 |
| Construction Loan Interest | 3,518,416 estimate | 3,518,416 | 6% | 66 | 30,863 |
| Interest Reserve Overrun | 23% estimate | 600,000 | 1% | 15 | 7,018 |
| Financing Contingency | 500,000 estimate | 500,000 | 1% | 9 | 4,386 |
| MRI Taxes | 2.80% % of mortgage consolidation | 1,246,560 | 2% | 24 | 10,935 |
| Total Financing Cost | | \$8,530,886 | 14% | \$161 | \$74,833 |
| Total Development Cost | | \$59,825,000 | 100% | \$1,128 | \$524,781 |